

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

REVIEW REPORT
OF
INDIANA PROFESSIONAL LICENSING AGENCY
March 1, 2002 to April 30, 2005

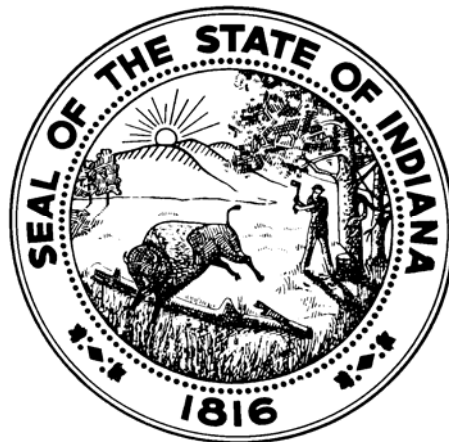


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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Gerald Quigley	01-08-01 to 01-07-05
Deputy Director	Kimberly Garver	01-08-05 to 02-18-05
Executive Director	Francis L. Kelly	03-14-05 to 01-11-09



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA PROFESSIONAL LICENSING AGENCY

We have reviewed the receipts, disbursements, and assets of the Indiana Professional Licensing Agency for the period of March 1, 2002, to April 30, 2005. The Indiana Professional Licensing Agency's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Indiana Professional Licensing Agency are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

July 12, 2005

INDIANA PROFESSIONAL LICENSING AGENCY
REVIEW COMMENTS
APRIL 30, 2005

FIXED ASSET INVENTORY

As stated in our prior Audit Report B18875, the fixed asset inventory of the Indiana Professional Licensing Agency is not complete as to additions. Additionally, an annual physical inventory of assets owned has not been conducted.

Assets costing more than \$500 but less than \$20,000 must be maintained on an asset control system at the agency. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 10)

Once a year, after receiving a Fixed Asset Master Listing, a physical inventory is to be taken and compared to the Master Listing and the agency's listing of assets from its asset control system. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 10)

ATTENDANCE REPORTS

We observed employee attendance reports that were signed, dated and approved prior to the last day worked.

Employee attendance reports should not be signed, dated or approved prior to the last day worked in a pay period. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 9)

DAILY DEPOSITS

As stated in our prior Audit Report B18875, the Indiana Professional Licensing Agency did not consistently deposit receipts within the following business day.

IC 5-13-6-1(b) states in part: ". . . all public funds . . . shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

SEGREGATION OF SDO DUTIES

As stated in our prior Audit Report B18875, we noted a lack of controls over the accounting for the Special Disbursing Officer Fund for the Indiana Professional Licensing Agency. The same person writes and signs the checks, prepares the reimbursement voucher and reconciles the account.

The best control is provided when the reconciliation is prepared or reviewed by staff independent of the functions of preparing checks or maintaining the check register. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

INDIANA PROFESSIONAL LICENSING AGENCY
REVIEW COMMENTS
APRIL 30, 2005
(Continued)

SDO ADVANCE

The Special Disbursing Officer Fund (SDO) advance for the Indiana Professional Licensing Agency was not turned over, or reimbursed completely, for several months.

If a SDO advance is not used within one or two months then the SDO advance is too large and should be reduced. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

PERSONAL USE OF STATE OWNED VEHICLES

As stated in our prior Audit Report B18875, we observed that the Indiana Professional Licensing Agency did not follow certain required reporting procedures relating to the personal usage of state owned vehicles by its employees. The Indiana Professional Licensing Agency did not submit a report of personal use to the payroll clerk bi-weekly for one way commuting trips.

The Internal Revenue Service requires payroll tax withholding and compensation reporting for employees using state-owned vehicles for nonbusiness or commuting purposes. In accordance with IRS guidelines, the Auditor's Office and the Department of Administration have formulated the State of Indiana Policy on State Provided Vehicles (Revised 5-94). This policy establishes the State's minimum reporting requirements to comply with the IRS regulations.

Each agency, department, institution or office is responsible for compliance with applicable statutes, regulations, contract provisions, state policies, and federal requirements. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

INDIANA PROFESSIONAL LICENSING AGENCY
EXIT CONFERENCE

The contents of this report were discussed on August 25, 2005, with Francis L. Kelly, the Executive Director. An electronic copy of the report was also sent to Gerald Quigley, the former Executive Director on August 29, 2005.